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CPW Report No. 62-A -- COMMUNIST CHINA

(Fob. 16 - 22, 1953)

Approved For Release 2003/10/01 : CIA-RDP80-00809A000500740232-6

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SUMMARY

"Ankang" (steel city) again is applied to Anshan's Russian-directed steel industry; discovery of valuable mineral deposits is reported in Sinkiang, where the USSR has special exploitation rights; and, Russian direction of the new Lanchow-Sinkiang Railway is seen in the planning of changes according to Russian "advice." Celebrations of the SSF Pact and Soviet Army anniversaries seem to have been merged, with military aspects emphasized in talks on Soviet superiority, emulation of the Russians, and China's debt to the USSR. Chou En-lai cites "protection" by Russian soldiers at Port Arthur as the outstanding example of Soviet good will. Enthusiastic support of Russian-language lessons in the Northeast is claimed, but an interesting addendum shows slightly more than half of the original classes still operating, with fewer than a third of the original students.

Officially juggled budget figures show 22 percent of China's revenue spent on defense, and this is contrasted to the U.S. percentage of 74. Aside from indirect war expenditures which are not included, an interesting fact is that, despite expropriation of private industry and property, about one-half of the revenue still comes from tax levies, and admitted war expenditures almost equal income from State enterprises. Attempts to make the CPV more popular with the Koreans continue, and the transport snarl draws more trained Chinese civilians to Korea.

Basic construction errors get more attention than successes. Bitterest criticism centers on the listing of food processing plants as basic construction, indicating that some Chinese groups consider consumer goods more important than munitions plants, and suggesting a cleavage between them and the Russian-guided Central Government.

March is designated as "Marriage Law Implementation Month," as even some Party members have been unenthusiastic about the law. Failure of Communist pressure methods is apparent from new recognition of the deep-rooted hold of feudalistic marriage customs which cannot be changed overnight, a fact overlooked by overenthusiastic revolutionists. It is admitted that Sikang cadres failed to carry out Party orders because of "no confidence" in the Party.

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